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**FISCAL IMPACT STATEMENT**

**LS 7812**

**BILL NUMBER:** SB 504

**NOTE PREPARED:** Apr 8, 2005

**BILL AMENDED:** Apr 7, 2005

**SUBJECT:** School corporation public works projects.

**FIRST AUTHOR:** Sen. Hershman

**FIRST SPONSOR:** Rep. Thompson

**BILL STATUS:** 2<sup>nd</sup> Reading - 2<sup>nd</sup> House

**FUNDS AFFECTED:** X **GENERAL**  
**DEDICATED**  
**FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** (Amended) This bill authorizes the governing body of a school corporation to enter into a public works contract by a competitive sealed bidding process through a multistate cooperative purchasing program. It authorizes a municipal school corporation to purchase certain materials for a public works project under the public purchasing law. It provides that labor may be included in the purchase if certain conditions are met. The bill also makes numerous changes concerning the guaranteed savings contracts and utility efficiency programs.

**Effective Date:** July 1, 2005.

**Explanation of State Expenditures:** Current law requires the state Attorney General to review cooperative agreements between the state, political subdivisions and other entities. The number of agreements would probably be small and any impact on expenditures could be covered under the existing level of resources for the Attorney General's Office.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:** (Revised) The bill should reduce the cost of the school for the public works projects. It is assumed that there is some saving when the school joins the multistate cooperative purchasing program and the purchasing of certain material under the public purchasing law.

Current law allows local units of government to enter into a utility energy efficiency program or a guaranteed energy savings contract with a qualified provider to reduce the unit's energy consumption costs or operating

costs if the savings due to an improvement will cover the costs of the improvement. This bill will allow the same to be done for projects that will reduce water usage and consumption costs. It also will allow local units to enter into efficiency programs or savings contracts to provide billable revenue increases.

Local units of government would not only be able to pay for additional conservation improvements with cost savings but could also experience those cost savings after the improvement is paid in full. The fiscal impact of this bill is dependent on local action

**Explanation of Local Revenues:**

**State Agencies Affected:** Attorney General.

**Local Agencies Affected:** School corporations, libraries, and political subdivisions.

**Information Sources:**

**Fiscal Analyst:** Chuck Mayfield, 317-232-4825.